# Message Text

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INFO OCT-01 SS-14 ISO-00 NSCE-00 INR-05 INRE-00 CIAE-00 NSAE-00 PM-03 DODE-00 L-01 SAB-01 SP-02 PA-01 SSO-00 /038 W

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O 131641Z JUN 78 FM AMEMBASSY PANAMA TO SECSTATE WASHDC IMMEDIATE 7483 INFO AMEMBASSY CARACAS

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#### LIMDIS

E.O. 11652: GDS

TAGS: PEPR, PINT, OVIP (CARTER, JIMMY), PN SUBJECT: ARNULFO AND THE POLITICAL SCENE IN PANAMA REF: A. CARACAS 4885, B. CARACAS 5269, C. STATE 146918 SUMMARY: ARNULFO ARIAS' RETURN DEFINITELY GIVES THE TORRIJOS GOVERNMENT A BIG HEADACHE. BUT WE BELIEVE IT VERY UNLIKELY THAT ARIAS COULD OVERTHROW TORRIJOS; HE IS TOO UNPOPULAR WITH THE NATIONAL GUARD. ARIAS HAS A LARGE MASS FOLLOWING, BUT THERE IS NO INSTITUTIONAL WAY FOR HIM TO REACH THE PRESIDENCY -- UNLESS THE CONSTITUTION IS CHANGED, AND THAT SEEMS EXTREMELY UNLIKELY IN THE SHORT TERM. THE OUTLOOK IS FOR A CONTINUING BUT PERHAPS DIMINISHING POPULAR WELCOME FOR ARIAS, INTENSIFIED POLITICAL PARTY ACTIVITY, SOME PLOTTING, AND A GOOD DEAL OF TENSION BETWEEN THE GOVERNMENT AND THE OPPOSITION. THERE IS SOME POSSIBILITY OF A REVERSAL OF RECENT POLITICAL LIBERALIZATION IF ARIAS APPEARS TOO SUCCESSFUL IN HIS COMEBACK ATTEMPT. END SUMMARY.

1. IT IS A BIG ORDER TO PREDICT WHAT ARIAS' POLITICAL ROLE IS GOING TO BE IN THE NEXT SIX MONTHS. HE JUST ARRIVED HERE, AND HIS PRESENCE INTRODUCES AN UNKNOWN CONFIDENTIAL

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AND POTENTIALLY UNSETTLING ELEMENT. NEVERTHELESS, HERE GOES.

2. PRESIDENT PEREZ CORRECTLY SURMISES THAT NEITHER TORRIJOS NOR THE NATIONAL GUARD IS LIKELY TO ALLOW ARIAS TO ASSUME THE PRESIDENCY. IN THE UNLIKELY EVENT HE SHOULD BECOME PRESIDENT AGAIN, THE ODDS ARE HIGH THAT ARIAS WOULD BREAK HIS OWN RECORD BY BEING BOOTED OUT A FOURTH TIME.

WHERE PEREZ IS ON LESS SURE GROUND IS IN BELIEVING THAT DEMOCRATIZATION WOULD "HEAD OFF AN ARIAS CHALLENGE". IF FREE, DIRECT ELECTIONS FOR PRESIDENT WERE HELD TODAY ARIAS WOULD HAVE AN EXCELLENT CHANCE TO WIN THEM. THIS WOULD LIKELY PROVOKE A COUP, AND MANY OF THE LIBERIZATIONS WHICH HAVE BEEN CONCEDED BY TORRIJOS WOULD PROBABLY BE LOST.

- 3. THERE ARE OTHER REASONS THAT A RETURN TO A MORE DEMOCRATIC SYSTEM IS IMPROBABLE IN OUR TIME FRAME. FIRST, TORRIJOS DOESN'T LIKE THE POLITICAL PARTIES, AND HE HAS THE FINAL WORD HERE. WE KNOW OF NO IMPORTANT FIGURE IN THE NATIONAL GUARD WHO HAS ANY GREAT COMMITMENT TO DEMOCRACY.
- 4. SECOND, A LOT OF PEOPLE WHO BENEFIT FROM THE PRESENT SYSTEM, (E.G., NATIONAL GUARD OFFICERS, MANY PUBLIC EMPLOYEES, TORRIJOS' TOP "LEFTIST" ADVISERS, CORREGIMIENTO REPRESENTATIVES)WOULD RISK LOSING THEIR PREFERRED POSITIONS -- AND IN MANY CASES, THEIR JOBS. THE HEAT WILL HAVE TO BE MUCH MORE INTENSE THAN IT NOW IS BEFORE THEY ARE WILLING TO STEP DOWN.

  5. FINALLY, AND MOST IMPORTANTLY, TORRIJOS' POSITION STILL SEEMS TO BE STRONG. THE GUARD APPEARS TO BE SOLIDLY BEHIND HIM. THE TREATIES HAVE ENGENDERED HOPE AMONG MANY PANAMANIANS THAT THE ECONOMIC SCENE MAY BRIGHTEN SOON. THE STUDENTS HAVE, SINCE SEPTEMBER 1976, CONFIDENTIAL

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BEEN SURPRISINGLY INEFFECTIVE IN GETTING LARGE,
VOCIFEROUS ANTI-TORRIJOS OR ANTI-TREATY CROWDS INTO THE
STREETS. THE PARTIES AND QUASI-PARTIES (SUCH AS THE
INDEPENDENT LAWYERS) HAVE SHOWN NO ORGANIZATIONAL OR
SPIRITUAL STRENGTH. THEY ARE ALL SITTING OUT THE
AUGUST ELECTIONS FOR CORREGIMIENTO REPRESENTATIVES,
ALMOST CERTAINLY ASSURING TORRIJOS A BIG WIN BY DEFAULT.
(IT IS DOUBTFUL THAT THE PARTIES COULD IN ANY EVENT
HAVE WON A MAJORITY IN THE NATIONAL ASSEMBLY OF
CORREGIMIENTO REPRESENTATIVES, BUT THEY COULD PROBABLY
HAVE WON ENOUGH TO FORM THE CORE OF A "PARLIAMENTARY"
OPPOSITION IF THEY HAD TRIED. THE ASSEMBLY WILL ELECT
THE NEW PRESIDENT IN OCTOBER.)

6. SO WHAT ABOUT ARIAS? HE HAS RETURNED FROM EXILE AND HAS BEEN RECEIVED BY AN ENORMOUS CROWD. HIS INTENTIONS ARE FAIRLY CLEAR. HE PLANS TO TAKE ADVANTAGE OF THE POLITICAL LIBERALIZATION TO ATTACK TORRIJOS AND THE TREATIES. HE HOPES TO GET THE BALL ROLLING SO FAST THAT TORRIJOS WILL BE SWEPT OUT OF OFFICE. EXACTLY HOW HE WOULD DO THAT WOULD DEPEND ON THE CIRCUMSTANCES. HE WOULD UNDOUBTEDLY BE WILLING TO TRY TO SWING A DEAL WITH THE NATIONAL GUARD -- OR A PART OF IT -- IF THE

OPPORTUNITY SHOULD ARISE. AS NOTED ABOVE, THIS IS HIGHLY UNLIKELY. ARIAS IS ALLEGED TO HAVE PERSONALLY SHOT AND KILLED AN OFFICER WHO WAS PRESENTING A GUARD ULTIMATUM TO HIM JUST PRIOR TO HIS SECOND DEPOSITION IN 1951. THIS AND HIS ATTEMPT TO SACK OR SHELVE THE TOP GUARD HIERARCHY DURING HIS BRIEF PRESIDENCY HAVE MADE ARIAS' NAME ANATHEMA IN THE GUARD.

7. ARIAS MIGHT EVEN SEEK AN ALLIANCE WITH THE LEFT --SOME STUDENT RADICALS TURNED OUT TO GREET HIM SATURDAY. BUT EVEN THE LEGENDARY FLEXIBILITY OF PANAMANIAN

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POLITICS IS NOT LIKELY TO BE SUFFICIENT TO BRING THE FAR LEFT AND ARIAS INTO ANYTHING MORE THAN A VERY CAUTIOUS EMBRACE -- AT BEST.

- 8. ARIAS MUST TRY TO BECOME THE SYMBOL AND LEADER OF ALL THE OPPOSITION TO TORRIJOS. ALREADY HE HAS THE SUPPORT OF MOST OF THE PARTIES AND OTHER POLITICOS -- THE LEADERSHIP OF THE LIBERAL PARTY BEING THE MAIN HOLDOUT. THIS SUPPORT IS VERY SOFT, WE MIGHT ADD, AND IS BASED ALMOST EXCLUSIVELY ON OPPOSITION TO TORRIJOS. HE MUST CONVINCE THE WORKER, THE UNEMPLOYED, THE DISAFFECTED THAT HE IS THEIR SAVIOR. AND AT LEAST A FEW PEOPLE WILL PROBABLY HAVE TO GET HURT FOR HIM. FOR WITHOUT AT LEAST SOME VIOLENCE ARIAS IS NOT LIKELY TO BE ABLE TO PERSUADE THOSE IN POWER THAT THEY HAVE NO ALTERNATIVE BUT TO TURN THE GOVERNMENT OVER TO HIM.
- 9. WE DOUBT VERY MUCH THAT THIS IS GOING TO HAPPEN. OUR GUESS IS THAT ARIAS WILL DRAW BIG CROWDS AND MAKE A BIG SPLASH FOR A FEW WEEKS. BUT THEN WHAT DOES HE DO? THE

PEOPLE CAN BE KEPT IN A STATE OF POLITICAL EXCITEMENT ONLY SO LONG WITHOUT THE PROSPECT OF "SOMETHING HAPPENING". THERE IS NO PRESIDENTIAL ELECTION -- EXCEPT IN THE NATIONAL ASSEMBLY, WHICH TORRIJOS WILL CONTROL. IN FACT, CONFIDENTIAL

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THERE HAS BEEN A LOT OF TALK LATELY THAT TORRIJOS WILL ENGINEER HIS OWN ELECTION TO THE PRESIDENCY BY THE NATIONAL ASSEMBLY. ALTERNATIVELY, AND THERE HAS BEEN AN EQUAL AMOUNT OF TALK ABOUT THIS POSSIBILITY, HE COULD ARRANGE FOR HIS CONSTITUTIONAL TERM AS "SUPREME LEADER OF THE REVOLUTION" TO BE EXTENDED FOR ANOTHER SIX YEARS AND HAND-PICK SOMEONE ELSE AS PRESIDENT. 10. IF WE ARE CORRECT, AND ARIAS' SUCCESSES WITH CROWDS LEAD TO A DEAD END STREET, THE OUTLOOK IS ONE OF PLOTTING (INCLUDING EFFORTS TO PRY SOME OFFICERS AWAY FROM TORRIJOS), CONTINUED POLITICAL PARTY ACTIVITY (BUT WITHOUT THE ENTHUSIASM KVACH ONLY THE PROSPECT OF AN ELECTION COULD GENERATE), AND INCREASED TENSION BETWEEN THE GOVERNMENT AND THE OPPOSITION. 11. ALL THIS ASSUMES THAT TORRIJOS' PATIENCE WILL HOLD UP. AND ARIAS WILL BE GIVEN A MODICUM OF FREEDOM OF SPEECH AND MOVEMENT. IF ARIAS BECOMES TOO SUCCESSFUL, OR IF HE GETS UNDER TORRIJOS' SKIN TOO MUCH, HE MAY FIND HIS ACTIVITIES RESTRAINED -- OR EVEN A FREE TICKET BACK TO MIAMI. 12. ARIAS' PRESENCE HERE WILL UNDOUBTEDLY KEEP THE CONTROVERSY OVER THE TREATIES MORE ALIVE THAN IT WOULD BE OTHERWISE. HE WILL DESCRIBE THEM AS A SELLOUT TO THE UNITED STATES. THIS IS ALMOST CERTAINLY PURE OPPORTUNISM, AS ARIAS IS DOUBTLESS AWARE THAT IT IS UNREALISTIC TO EXPECT A TREATY MORE FAVORABLE TO PANAMA AT THIS TIME. IF ARIAS SHOULD SOMEHOW RETURN TO POWER, WE HAVE LITTLE DOUBT BUT THAT HE WOULD ACCEPT THEIR VALIDITY -- THOUGH LIKE ALMOST ANY FUTURE PANAMANIAN GOVERNMENT, HE WOULD BE LIKELY TO TRY TO "PERFECT" THE TREATIES FROM THE PANAMANIAN VIEWPOINT.

13. WE DO NOT EXPECT ANY FURTHER PUBLIC POLITICAL CONFIDENTIAL

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ACTIVITY BY ARIAS AND HIS SUPPORTERS UNTIL AFTER PRESIDENT CARTER'S DEPARTURE, BUT WITH AN UNPREDICTABLE MAN SUCH AS ARIAS, WE CANNOT BE CERTAIN. JORDEN

	Sheryl P. Walter	Declassified/Released	US Department of State	EO Systematic Review	20 Mar 2014
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